

IN THE MATTER OF THE ARBITRATION BETWEEN

BLACK HAWK COUNTY, IOWA,	:	
	:	CEO# 77, SECTION 2
Employer,	:	
	:	
vs.	:	
	:	ARBITRATOR'S AWARD
PUBLIC PROFESSIONAL AND	:	
MAINTENANCE EMPLOYEES,	:	
IT LOCAL 2003, UNIT III,	:	
	:	
Union.	:	

APPEARANCES

For the Union: Joe Rasmusen, Business Representative
Sue Hanson, Bargaining Team
Mitch Fitz, Bargaining Team
Patrick Porter, Bargaining Team
Sue Wildeboer, Bargaining Team

For the County: Tom Pounds, Human Resources Director
Brenda Murray, Human Resources AAIL
Lin J. Matlock, Human Resources Tech.
Helen Steffen, Deputy Auditor

BACKGROUND

Black Hawk County has approximately 740 full and part-time employees working in eighteen departments. Of those employees, approximately 600 are members of certified bargaining units.¹ Of the eight certified bargaining units, seven were at impasse, and awaiting arbitration on the items of wages and health insurance at the time of the hearing in this matter. The eighth unit, public

¹There are approximately 55 full-time and 9 part-time employees in the unit before the undersigned. See Union Exhibit No. 7 and Employer Exhibit No. 9.

health has one year remaining of a three year agreement.² In fiscal year 2003-2004, the Black Hawk County non-bargaining unit employees are to receive no wage or salary increase and will be required to contribute \$50.00 per month and \$150.00 per month towards the cost of single and dependent health insurance coverage respectively. See Employer Exhibits No. 12 and 26.

PPME, Local 2003, has represented the bargaining unit employees, whose case is before the undersigned, since the mid 1970's. See Union Exhibit No. 2. Over the years, the County and the Union have rarely had to resort to the services of a fact-finder or arbitrator to settle their contracts. The last time the parties utilized such services was in 1997, when they proceeded to fact-finding.³

In the matter at hand, the Union and County presented their initial proposals to each other in the fall of 2002. They apparently held only one closed-session negotiation meeting thereafter before proceeding to two mediation sessions in January of 2003. Those mediation sessions failed to resolve the differences between the Union and County on what the across-the-

²In fiscal year 2003-2004, the public health bargaining unit employees will receive a 3% across-the-board wage increase and their contribution to the health insurance benefit will be \$5.00 per month and \$12.50 per month toward the cost of single coverage and dependent coverage respectively. See Employer Exhibits No. 12 and 26.

³Even then, after receipt of the fact-finder's report, the parties settled their differences without the necessity of arbitration. See Union Exhibit No. 2.

board wage increase for the 2003-2004 contract year should be for the bargaining unit employees and what the increase should be in the monthly contribution by bargaining unit employees towards the cost of single and dependent health insurance coverage for that contract year. The parties waived fact-finding and selected the undersigned to resolve their impasse on these two items. See Joint Exhibit No. 1, a copy of which is attached hereto and marked as Exhibit "A". The arbitration hearing was held in this matter on February 13, 2003, commencing at approximately 10:30 A.M. and concluding at approximately 2:30 p.m. The Union's case was presented by Joe Rasmussen, and the County's case was presented by Tom Pounds. The respective cases were well organized and well argued.

ITEMS AT IMPASSE

Prior to the arbitration hearing, the Union and the County exchanged final offers, copies/summaries of which are attached and marked as Exhibits "B" and "C". From these offers and the presentations of the representatives at the hearing in this matter, the undersigned has determined the only issues for the undersigned to determine are whether the bargaining unit employees should receive a 2.5% or 3% across-the-board wage increase for the period July 1, 2003, to June 30, 2004, and whether the employees should contribute \$10.00 or \$20.00 per month to the cost of single, health insurance coverage, if they elect that coverage, or, if they elect

dependent coverage, whether they should contribute \$25.00 or \$50.00 per month to that cost.

Section 20.22(3) of the Code of Iowa restricts awards of arbitrators, when the parties have waived fact-finding, to the "...final offers on each item submitted by the parties..." Section 20.22(11) of the Code, requires this Arbitrator to select the "most reasonable" offer on each item at impasse. To assist arbitrators in determining which offer on impasse item is most reasonable, the Legislature has set forth a list of factors to consider. In addition to "other relevant factors" Section 20.22(9) of the Code requires consideration of what the undersigned would characterize as prior bargaining history, comparability, ability to pay and power to tax. The analysis which follows is structured in terms of the foregoing.

OTHER RELEVANT FACTORS
AND BARGAINING HISTORY

In the case submitted to the undersigned, both parties offered evidence pertaining to these factors. Under other relevant factors, this Arbitrator would note what the County's non-bargaining unit employees and public health employees will receive for wage increases and will pay toward the cost of health insurance in fiscal year 2004. See prior discussion regarding same in the Background section of this award. In both instances, arguments can be made for discounting the significance of that evidence. With respect to non-bargaining unit employees, it is obvious their

influence over decisions concerning their compensation package is different, if not more limited. Their case might be best characterized as one of persuasion of the Board of Supervisors. None the less, in the undersigned's experience, bargaining units often structure their offers on compensation in terms of whether or not they perceive disparities in what employers have acceded to for wage increases and benefits for non-bargaining unit employees.

The weight to be given to the Public Health bargaining unit wage increase and insurance contribution for fiscal year 2004 can likewise be a matter of conjecture, because they are part of a multi-year contract. Such contracts can be "front-loaded," with economic benefits greater in the first year than in the latter years of the contract, or "back-loaded," with greater economic benefits being provided in the final year(s) of the contract.⁴ More significantly, when looking at multi-year contracts, one must consider the economic situation at the time such contracts are executed may be different than the economic situation present mid-term. In that regard, the undersigned would note the annual increase in Black Hawk County's general basic fund, from which wages and salaries are paid, in fiscal year 2002 was \$236,991.00, in fiscal year 2003 was \$513,174.00, and in fiscal year 2004 will be \$159,740.00. See Employer Exhibit No. 22.

⁴That does not appear to be the case here. See Employer Exhibit No. 11, which reflects the wage increase bargained for the Public Health unit was 3% for each year of the fiscal year 2002-2004 contract.

Another factor for consideration is the consumer price index increase for the period December 2001 to December 2002. During that period, the index for urban wage earners and clerical workers increased 2.4%. See Union Exhibit No. 16 and Employer Exhibit No. 18.⁵

Bargaining history, with respect to this unit, which the undersigned will refer to herein as the maintenance unit, is a significant factor for consideration on both impasse items.⁶ In that regard, the undersigned notes the contracts for fiscal year 1991 through and including fiscal year 2003 were the products of voluntary settlement. Over that period, the following wage increases were negotiated:

FY91	Adjust ½ steps to whole steps Add 1 whole step to matrix, so everyone got a step increase
FY92	2% July 1 + 2% January 1, plus steps
FY93	4% July 1, plus steps
FY94	3.5% July 1, plus steps
FY95	4% July 1, plus steps
FY96	2.5% July 1, plus steps

⁵The data submitted was from the U.S. Department of Labor. Presumably, then, the increase is based upon national statistics. Whether Black Hawk County's statistics were the same over the period is a matter of conjecture. However, both parties offered this information in support of their positions, and it will therefore not be ignored.

⁶The job classifications in this unit are not necessarily "maintenance." They include building cleaner, food service worker, laundry worker, building maintenance assistant and Mechanic, cook, driver, and property maintenance assistant.

FY97	3% July 1, plus steps
FY98	Add 1 5% step to matrix, automatic step increases for everyone
FY99	3.25% July 1, plus steps ⁷
FY00	3% July 1, plus steps
FY01	3% July 1, plus steps
FY02	3% July 1, plus steps
FY03	3% July 1, plus steps

Over the same period, the parties also reached voluntary agreement with respect to the amount paid monthly by employees in the bargaining unit for health insurance. See Union testimony at the hearing in this matter. Union Exhibit No. 18 and Employer Exhibit No. 25 provided the following information in that regard:

	<u>Employee Single Coverage Contribution</u>	<u>Employee Dependent Coverage Contribution</u>
FY 1991	0	0
FY 1992	0	0
FY 1993	0	0
FY 1994	0	0
FY 1995	0	\$5.00
FY 1996	0	0
FY 1997	0	0
FY 1998	\$5.00	\$10.00
FY 1999	\$5.00	\$10.00
FY 2000	\$5.00	\$10.00
FY 2001	\$5.00	\$10.00
FY 2002	\$5.00	\$12.50
FY 2003	\$5.00	\$12.50

⁷See Union Exhibit No. 12. The undersigned notes the data submitted by the Employer generally corresponds to that offered by the Union, except for fiscal year 99, the Employer shows the wage increase was 3%. See Employer Exhibit No. 11. Of obvious significance to the determination in this matter, is the fact that, over the past five fiscal years, the parties have agreed to at least a 3% wage increase for the bargaining unit.

COMPARISONS

The group of counties and bargaining units chosen by the Union for comparison on the impasse items was not identical to the group chosen by the Employer, although all of the counties in the Employer's group were included within the Union's group. The Employer's group consists of the eight largest counties by population and is set forth as follows:

<u>County</u>	<u>Year 2000 Population</u>
1. Polk	374,601
2. Linn	191,701
3. Scott	158,668
4. Black Hawk	128,012
5. Johnson	111,006
6. Woodbury	103,877
7. Dubuque	89,143
8. Pottawattamie	87,704

See Employer Exhibit No. 7.

To the foregoing group, the Union added Story County, with a year 2000 population of 79,981, and Clinton County, with year 2000 population of 50,149. See Union Exhibit No. 3. In his 1997 fact-finding report, Fact-finder Michael L. Thompson used the Employer's group of counties. He noted "...weight given to comparability groups is a function of several factors which include ...geographical proximity, size of population, demographic characteristics...and other relevant financial data...." He went on, in choosing the Employer's group, to note the "...County's grouping had been used in previous cases...."

It isn't clear why the Employer did not choose Clinton County for comparison. One would speculate the choice had something to do with Clinton County's population and its total taxable valuation.⁸ From the undersigned's perspective, Clinton County's geographical proximity and similar bargaining-unit job classifications, however, should cause it to be used for comparisons. It would also share similarities with the other counties in the Employer's group in terms of taxes it can levy and its budget process, factors the County submitted counter-balanced Woodbury's and Pottawattamie's lack of geographical proximity. The undersigned has not, on the other hand, considered Story County. Story County has a different scheme with respect to health insurance. It pays each employee \$500.00 per month, which employees may keep or use to spend on any of four ISAC policy options. See Union Exhibit No. 19. Further, Story County appears to not have bargaining unit job classifications similar to those in the Black Hawk County maintenance unit.⁹

Both parties offered evidence of the current fiscal-year salaries in the Black Hawk County maintenance unit compared to the

⁸The Union showed that net taxable valuation was \$1,554,884,000.00 in FY 2001.

⁹Both parties indicated using Polk County for comparison, even though they did so, is problematic because of its much larger population and tax base. The Union addressed the difference by putting Polk County in a secondary comparison group. The undersigned finds it difficult to do that and, at the same time, use Clinton County. For purposes of the decision herein, this Arbitrator has used the Employer's group, with the addition of Clinton County, for analysis.

salaries of the same or similar classification in the bargaining units in the comparison group. Union Exhibit No. 13 revealed the following information:

County -----	Custodian -----	Bldg Mech -----	Food Service -----	Laundry -----
Linn	10.42-12.42	13.29-15.94	NA jail cook 12.36-14.83	NA
Scott	9.93-13.15	13.36-17.65	NA jail cook 9.21-12.32	NA
BLACK HAWK	8.83-10.72	14.36-17.46	8.38-10.21 cook 9.71-11.82	8.38-10.21
Johnson	9.73-11.91	14.67-16.10	NA jail cook 11.20-14.05	NA
Dubuque	10.54-12.25	NA	7.20-9.62 jail 9.09-10.54	NA
Clinton	8.31-9.60	12.56-14.70	NA jail cook 12.94-13.20	NA
Polk	10.51-13.73	15.16-19.88	NA cook 11.51-15.05	NA
Woodbury	9.30-11.78	11.43-14.41	NA	NA
Pottawattamie	9.32-11.85	11.78-15.03	NA cook 9.32-11.85	NA

The County's evidence with respect to wages for the various job classifications in the bargaining units it compared in some instances differed from that of the Union. For example, Employer Exhibit No. 16 showed Dubuque County hourly custodian wages for fiscal year 2003 range from \$8.34 to \$11.30 and shows Pottawattamie County has contracted out its custodial work. Similarly, regarding the building maintenance mechanic classification, the County's Exhibit No. 17 showed Linn County pays \$14.83 to \$17.84 per hour to that classification, Johnson County pays \$14.67 to \$18.99 per hour for that classification, and Pottawattamie County pays \$13.85 to

\$17.47 per hour for that classification. The differences in information between the Union exhibit and the County's exhibits was not addressed by the parties. Those differences, however, in the judgment of the undersigned are not material to the resolution of the wage impasse item. From Employer Exhibit No. 16, with the addition of the Clinton County information from Union Exhibit 13, the undersigned computes the average, top-step hourly wage for custodians is \$11.98. This data, as does that in Union Exhibit No. 13, tends to show the custodial pay in Black Hawk County's bargaining unit lacks some comparability. Likewise, the Employer's data from its Exhibit 17 shows the average, hourly building maintenance mechanics salary in the units compared, when the Clinton County information is considered, is \$16.78 at the top step. This data, as does that in Union Exhibit No. 13, tends to show the building maintenance mechanics pay in the Black Hawk County bargaining unit is competitive. When one classification in a bargaining unit lacks comparability and another does not, it is difficult to make judgments with respect to overall comparability. It does seem, however, neither offer on wages, being framed as percents across the board, will change the relative positions of the various Black Hawk County maintenance unit employees in relation to their counterparts in the units compared.

Somewhat more material to the resolution of the wage impasse items is the evidence on settlements for fiscal year 2004. In that regard, the Union offered the following information:

<u>County</u>	<u>FY 2004 Across the Board Increase</u>
Scott	3.5%
Dubuque	3.%
Clinton	3.9%
Polk	3.5%
Woodbury	3.5%

See Union Exhibit No. 14.

Of the five settlements above, four are part of multi-year agreements. Of those four agreements, Scott County is the only one in which fiscal year 2004 is not the final year of the contract. Clinton County's wage settlement is a one-year agreement.¹⁰

With respect to the health insurance item, no information was submitted by either the Union or the County regarding settlements for fiscal year 2004. They did submit evidence concerning the 2002-2003 monthly contributions of bargaining unit employees towards the cost of health insurance within the counties selected for comparison. Union Exhibit No. 19 provided the following information regarding such fiscal year 2003 contributions required of employees:

<u>County</u> -----	<u>Single Premium</u> -----	<u>Family Premium</u> -----
Linn	\$ 5	\$ 12.50
Scott	0	PPO \$ 71.57 HMO \$108.55

¹⁰Employer's Exhibits 14, 15, 16 and 17 also set forth settlement data with respect to wages. The information those exhibits provided was put forth in terms of cents-per-hour over the various wage ranges. After doing the math, the undersigned has determined the information in those exhibits is generally consistent with that in Union Exhibit No. 14.

BLACK HAWK	\$ 5	\$ 12.50
Johnson	0	0
Dubuque	0	0
Clinton	0	0
Polk	0	\$ 83.50
Woodbury	0	0
Pottawattamie	\$25	\$100

Again, the Employer's exhibit reflected differences (two instances) within the group compared. It showed the Polk County bargaining unit pays \$91.76 per month towards the cost of dependent health insurance coverage and that the Scott County counterparts pay \$78.64 (PPO) and \$115.40 (HMO) per month towards the cost of dependent coverage. See Employer Exhibit No. 28. Despite those differences, it is apparent in Johnson, Dubuque, Clinton and Woodbury Counties, bargaining unit employees pay nothing towards the cost of the health insurance benefits.

In addition to the foregoing information, Employer Exhibit No. 28 set forth the total premiums for the counties within the group used for comparison, except for Clinton County. It showed the following:

	Employee Contribution		Total Premium	
	<u>Single</u>	<u>Family</u>	<u>Single</u>	<u>Family</u>
1. Polk	\$0	\$91.76	\$256.46	\$715.20
2. Linn	\$5	\$12.50	\$270	\$596
	(deductibles reimbursed)			

3. Scott	\$0	\$115.40 \$78.64	\$341.71 \$329.05	\$938.95 \$904.20
4. Black Hawk	\$5	\$12.50 \$25.00	\$344 (\$247)	\$846.50* (\$608)**
5. Johnson	\$0	\$0	\$277.44	\$762.74
6. Woodbury	\$0	\$0	\$272	\$644
7. Dubuque	\$0	\$0	\$475.92 \$393.28 \$353.11	\$1,059.08 \$ 920.81 \$ 875.78
8. Pottowattamie	\$25	\$100	\$315.85 \$293.10	\$694.88 \$644.80

*Rate at end of FY 2003

**Rate at beginning of FY 2003

ABILITY TO PAY/POWER TO TAX

Although the County's spokesperson started its presentation in this matter by stating the County was not arguing it could not pay the cost of either offer on wages and health insurance, a fair portion of its case, none the less, was offered to show its financial circumstances differentiated it from the other counties in its comparison group and formed the basis for its offer on each of the impasse items. In that regard, Employer Exhibit No. 19 was offered to show the difference between the general basic fund growth in Black Hawk County versus the growth in other counties used for comparison. It revealed the following:

RANK BY SIZE

	FY03	FY04	% incr	\$ incr	GB Fund limit	new tax capacity
Polk	12,258,703,579	12,815,004,066	4.54%	556,300,487	x \$3.50/\$1000	= \$1,947,052
Linn	6,659,122,189	6,886,848,515	3.42%	227,726,326	x \$3.50/\$1000	= \$ 797,042
Scott	5,129,605,579	5,220,437,746	1.77%	90,832,167	x \$3.50/\$1000	= \$ 317,913
Black Hawk	3,212,640,990	3,258,281,064	1.42%	45,640,074	x \$3.50/\$1000	= \$ 159,740 ¹¹
Johnson	3,676,574,950	3,783,390,243	2.91%	106,815,293	x \$3.50/\$1000	= \$ 373,854
Woodbury	2,773,899,311	2,850,387,628	2.76%	76,488,317	x \$3.50/\$1000	= \$ 267,709
Dubuque	2,635,736,778	2,713,554,425	2.95%	77,817,647	x \$3.50/\$1000	= \$ 272,362
Pottawattamie	2,807,325,438	2,875,999,588	2.45%	68,674,150	x \$3.50/\$1000	= \$ 240,360
Clinton	1,516,205,252	1,533,139,561	1.12%	16,934,309	x \$3.50/\$1000	= \$ 59,270

RANK BY NEW TAX CAPACITY

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From the foregoing, it is apparent Black Hawk County's "new money" for fiscal year 2004 will be the second lowest in the comparison group, and this tends to support its offer of 2.5% on wage increases versus the 3.0% or better settlements for fiscal 2004 in the other counties set forth previously. For illustration purposes only, the undersigned would note, if 500 Black Hawk County employees received wages paid from the general basic fund and each received an equal portion of the \$159,740.00 for an annual wage increase, the resulting amount they would receive would be \$319.48.

¹¹The general basic fund levy is capped at \$3.50 per \$1000 of assessed valuation. Black Hawk County is and will be assessing for that fund at that top rate. Salaries for 34 of the maintenance bargaining unit employees are paid from that fund, and the balance of the employees are paid from the mental health fund, which is also capped. The County is currently levying for that fund at the maximum rate as well. See Employer testimony offered at the hearing.

On the other hand, the undersigned would note a 20¢ per hour wage increase for any employee working 2080 hours in a year would cost \$418.00.¹²

The Employer also offered an exhibit setting forth some of its general basic fund history. Employer Exhibit No. 22 revealed the following information:

FY	Col. A PROPERTY VALUATIONS	Col. B LEVIED TAXES	Col. C ANNUAL INCREASE	Col. D TOTAL EXPENDITURES	Col. E NON-TAX REVENUES
1997	2,376,859,993	8,319,010	-----	19,602,930	12,927,123
1998	2,463,587,377	8,622,556	303,546	23,571,204	13,253,491
1999	2,690,050,971	9,415,178	792,623	23,553,947	13,278,016
2000	2,764,590,446	9,676,067	260,888	25,192,480	14,480,044
2001	2,998,308,121	10,494,078	818,012	22,808,506	12,409,202
2002	3,066,019,856	10,721,069	236,991	23,934,994	12,288,782
2003	3,212,640,990	11,244,243	513,174	23,635,419	12,123,927
2004	3,258,281,064	11,403,984	159,740	23,071,826	11,667,842
	Col. F YEAR END FUND BALANCES UNRESERVED	Col. G RESERVED	Col. H TOTAL	Col. I UNRESERVED FUND BALANCE AS % OF EXP.	Col. J TOTAL FUND BALANCE AS % OF EXP.
1997	6,026,762	583,500	6,610,262	30.7%	33.7%
1998	4,331,605	1,783,500	6,115,105	18.4%	25.9%
1999	2,290,390	2,963,962	5,254,352	9.7%	22.3%
2000	1,259,049	1,858,934	3,117,983	5.0%	12.4%
2001	1,359,499	1,862,259	3,221,758	6.0%	14.1%
2002	507,003	1,849,611	2,356,614	2.1%	9.8%
2003	438,765	1,812,454	2,251,219	1.9%	9.5%
2004	438,765	1,812,454	2,251,219	1.9%	9.8%

Note 1: Bolded numbers are estimates. All other numbers are actual.

Note 2: Reserved fund balances include debt rate stabilization funds, reserves for employee payouts, and advanced funds to the Washburn Sewer Fund.

The foregoing exhibit would tend to explain why the wage increase offered to the maintenance unit for fiscal year 2004 is

¹²The average of the hourly wages paid in the maintenance units is approximately \$11.02. See Union Exhibit No. 7. A 2.5% increase of that amount is 27.55 cents per hour or \$573.04 per 2080 hour year.

lower than the percentage wage increase settled on in the past five fiscal years.¹³

Unlike the general basic fund, the County's general supplemental fund levy is not capped.¹⁴ Health insurance benefits are paid from the supplemental fund. See Employer testimony at the hearing in this matter. Thus, difficulty in paying for this portion of employee compensation is not as apparent as it is with the wage component. The County's spokesperson admitted that at times in the past the County has underfunded its self-insured plan. Past underfunding, together with increased cost of claims, contributed to an inadequate level of reserves in the plan year ending June 30, 2002.¹⁵ See Employer testimony at the hearing and Employer Exhibits No. 29, 30 and 31. However, it appears the County has now raised its general supplemental funding sufficiently to have the proper reserve level. See Employer Exhibit No. 33.

¹³Union Exhibit No. 23 and testimony received at the hearing reflects Black Hawk County received \$173,000.00 from the Black Hawk County Solid Waste Management Commission in fiscal year 2003. That exhibit also indicated the commission plans to distribute an additional 2.5 million in the next 15 years to Black Hawk County and cities in the county. While said funds can be used for County salaries, to base an award on the receipt of such funds is problematic. The amount and frequency of such future payments is not apparent. To base salaries and wages, which continue once they are granted, on funding which is by nature contingent may invite future problems in maintaining services and personnel.

¹⁴Union Exhibit No. 11 indicates the rate of that levy decreased from fiscal year 2002 to fiscal year 2003.

¹⁵The Board of Supervisors, effective January 1, 2003, increased the monies paid to the Health Insurance Trust Fund. See Employer Exhibit No. 32.

Further it is projected the prescription drug coverage changes agreed to by the parties for the fiscal year 2004 contract will save approximately 1.5% of the cost in that coverage. See Employer testimony at the hearing and Employer Exhibit No. 37, page 21.

DISCUSSIONS AND CONCLUSIONS

It can certainly be argued the rate of wage increases in prior years for this unit and the fiscal 2004 settlements in comparable units surveyed by the parties support the Union's offer on wages, and the case is made all the more difficult when one considers the difference in cost of the Union's offer amounts to only \$6472.00.¹⁶ On balance, however, the County's financial situation, both in terms of its general basic fund increase for 2003-2004 versus that of the other counties compared and in terms of the small amount of that increase from which the majority of this bargaining unit's salaries must be paid, seems to be the more compelling factor.¹⁷

The case for the Employer's offer on the health insurance benefit is not as persuasive. It seems to the undersigned the case is primarily based upon the need to restore a proper reserve for the insurance fund, which in part decreased to unsatisfactory levels because of prior funding decisions made by the Employer. When one considers the evidence that the funding source for this

¹⁶See Employer Exhibit No. 13.

¹⁷The undersigned is also swayed, albeit to a lesser extent, by the fact that, with step movement, the increase in the wage component of compensation for the bargaining unit as a whole will increase 3.4% under the Employer's offer.

component of compensation is not capped, the need for a neutral to step in and impose change is not obvious, particularly when the bargaining history of the employer and unit show a pattern of voluntary settlement on change.¹⁸

As this Arbitrator has opined before, bargaining history, as a consideration, is more than a pattern of settlement. In bargaining compensation, parties to labor contracts engage in a give and take in determining its components. A union may concede on salary in exchange for the grant or maintenance of insurance benefits. When an arbitrator comes into a situation of impasse, he or she can distort the result of what might be years of such give and take. This should not occur, in the judgment of the undersigned, unless the other factors set forth in Section 20.22(9) of the Code clearly point to a different result.

In this matter, comparability on the amount bargaining-unit employees pay towards the cost of health insurance does not support the increase in that amount offered by the Employer. As noted previously, four of the eight counties used for comparison have not required any employee contribution to the cost of either single or dependent health insurance coverage in fiscal year 2003. Two others in the group have required no payment by bargaining-unit employees towards the cost of single coverage.

¹⁸It should also not be forgotten the Union's offer takes steps to address this increased cost, both in terms of its offer to increase the amount unit employees pay and in the changes in prescription drug coverage agreed to.

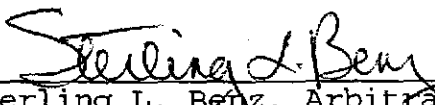
Further, if the Employer's offer on the insurance impasse item was awarded, it would appear the result for some employees in the unit, until they moved a step on the salary schedule, may be that they would receive no increase in pay they would take home after June 30, 2003. For example, Employer Exhibit No. 9 shows there will be two bargaining-unit employees working as Food Service Workers as of July 1, 2003, at a step 1 salary rate of \$8.38. A 2.5% increase in their hourly rate results in a 21¢ per hour wage increase. The increased cost to such employees, for dependent coverage, if they were to pay the increase the Employer suggests, would be 21.6¢ per hour.¹⁹ This result does not seem reasonable.

AWARD

For the reasons expressed, the undersigned makes the following selections on the impasse items:

1. Wages - Employer's Offer.
2. Insurance - Union's Offer.

Dated this 25th day of February, 2003.


Sterling L. Benz, Arbitrator

¹⁹\$37.50 increase x 12 ÷ 2080.

It's all
no. 1

In the matter of Interest Impasse
Between

Public Professional and Maintenance
Employees, IUPAT Local 2003

and

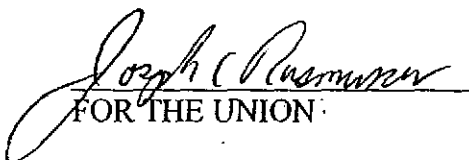
Black Hawk County, Iowa

REQUEST FOR INTEREST
ARBITRATION

CEO #77 Sector 2
Custodial Unit

The parties engaged in a mediation session as required by Chapter 20, Code of Iowa, on January 3 and 17, 2003 which failed to produce a voluntary settlement. The parties by mutual agreement have decided to waive the impasse procedure of fact-finding.

Therefore, this is a request for expedited arbitration services. The parties have chosen a neutral third party from the list of fact-finders and we agree to use this person as the interest arbitrator. Please contact Sterling L. Benz to arrange a hearing date with the parties' representatives.


FOR THE UNION

1-23-03
DATE


FOR THE EMPLOYER

1-28-03
DATE

UNION FINAL POSITIONS FOR INTEREST ARBITRATION
BLACK HAWK COUNTY - UNIT 3
CEO #77 Sector 2

No changes to the current contract other than those changes tentatively agreed to on November 25, 2002 (see attached document), and those changes proposed below for a one year contract from July 1, 2003 - June 30, 2004.

ISSUE #1 - WAGES

Increase all hourly wage rates in the July 1, 2002 to June 30, 2003 wage schedule in Exhibit B by the amount of three percent (3%) effective July 1, 2003. All employees eligible for an in-grade pay increment shall receive such increment pursuant to the current provisions of Article 36.

ISSUE #2 - INSURANCE

Change the second sentence of Article 23, Section 1, to read:

Effective July 1, 2003 employees electing single coverage shall contribute ten dollars (\$ 10) and employees electing dependent coverage shall contribute twenty-five dollars (\$ 25) toward the cost of the monthly premium.

Change Prescription Drugs under the Preferred Provider Plan to:

80%-20% co-payment (generic and brand names, if no generic or formulary available)

70%-30% (formulary name, if generic available)

60%-40% (brand name, if generic or formulary available)

Under a 90-day mail order pharmacy prescription the co-pay shall be as above, except that the employee shall pay the above co-payments for the first sixty (60) days, and no co-payment for the last thirty (30) days.

(No change in current contract which provides for no separate drug deductible and includes these co-payments in the employee's current out-of-pocket maximum with their medical expenses.)

TENTATIVE AGREEMENT
UNIT 3

Article 8 – Seniority

E1 – Union would agree to insert “in the effected job classification” in the first sentence in Section 5B, Layoff.

Article 17 – Sick Leave

Administer Section 3 (5) as follows, but do not change the current contract language: Employees hired after July 1 and after completing the probationary period shall have their first six (6) paid occurrences pro-rated at the rate of two (2) per quarter starting on the first day of a full quarter. This pro-rating is effective according to the first day of a quarter that the employee is at work either in a probationary or permanent status.

THE PARTIES AGREE TO WITHDRAW THE FOLLOWING PROPOSALS:

Article 9 – Leave of Absence


E2 – Change FMLA section of the contract.

Article 19 – Holidays

E5 –Employer proposal to trade for MLK Birthday

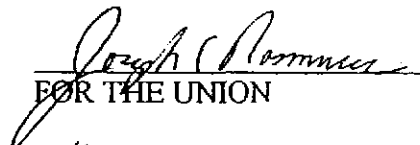
Article 34 – Uniforms

U5 – Union damage reimbursement proposal.



FOR THE EMPLOYER
11/25/02

DATE



FOR THE UNION
11-25-02

DATE

February 4, 2003

BLACK HAWK COUNTY FINAL OFFER FOR INTEREST ARBITRATION
PUBLIC, PROFESSIONAL and MAINTENANCE EMPLOYEES
LOCAL 2003, UNIT 3

The County requests no changes in the current collective bargaining agreement, other than previously executed tentative agreements and the following issues.

ISSUE #1 - WAGES:

2.5% across-the-board wage increase, effective the first day of the pay period that includes July 1, 2003, plus step increases for those eligible.

ISSUE #2 - INSURANCE:

Effective July 1, 2003, employees electing single coverage shall contribute twenty dollars (\$20) and employees electing dependent coverage shall contribute fifty dollars (\$50) toward the cost of the monthly premium.

Change Prescription Drugs under the Preferred Provider Plan to:

80% - 20% co-payment (generic and brand names, if no generic or formulary available)

70% - 30% (formulary name, if generic available)

60% - 40% (brand name, if generic or formulary available)

Under a 90-day mail order pharmacy prescription the co-pay shall be as above, except that the employee shall pay the above co-payments for the first sixty (60) days, and no co-payment for the last thirty (30) days.

No other changes in health insurance except for the above.

TENTATIVE AGREEMENT
UNIT 3

Article 8 – Seniority

E1 – Union would agree to insert “in the effected job classification” in the first sentence in Section 5B, Layoff.

Article 17 – Sick Leave

Administer Section 3 (5) as follows, but do not change the current contract language: Employees hired after July 1 and after completing the probationary period shall have their first six (6) paid occurrences pro-rated at the rate of two (2) per quarter starting on the first day of a full quarter. This pro-rating is effective according to the first day of a quarter that the employee is at work either in a probationary or permanent status.

THE PARTIES AGREE TO WITHDRAW THE FOLLOWING PROPOSALS:

Article 9 – Leave of Absence

E2 – Change FMLA section of the contract.

Article 19 – Holidays

E5 –Employer proposal to trade for MLK Birthday

Article 34 – Uniforms

U5 – Union damage reimbursement proposal.


FOR THE EMPLOYER

11/25/02
DATE


FOR THE UNION

11-25-02
DATE

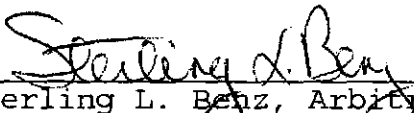
CERTIFICATE OF SERVICE

I certify that on the 25th day of February, 2003, I served the foregoing Award of Arbitrator upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Joe Rasmussen
PO Box 69
Alburnett, IA 52202-0069

Tom Pounds
Black Hawk County Courthouse
316 East Fifth Street
Waterloo, IA 50703

I further certify that on the 25th day of February, 2003, I will submit this Award for filing by mailing it to the Iowa Public Employment Relations Board, 514 East Locust, Suite 202, Des Moines, IA 50309


Sterling L. Benz, Arbitrator

2003 FEB 27 10:10:33
CLERK OF COURT
JAMES H. HARRIS